

Pilot Mountain Town Hall
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Pilot Mountain, NC 27041



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Joint Legislative Committee on Local Government
NC General Assembly
Legislative Building
16 W Jones Street
Raleigh NC 27601
Attn: Committee Chair and Committee Assistant

Fiscal Research Division
NC General Assembly
Legislative Office Building
300 N Salisbury Street, Suite 619
Raleigh NC 27603-5925

RE: Town of Pilot Mountain
State Reserve Project
Proposed \$3,900,000 Grant/Loan
Project No.: H-SRP-D-17-0142

To Whom It May Concern:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina (NCGS) as amended, the Town of Pilot Mountain hereby notifies you of its intent to enter into a State Reserve Project Grant/Loan with the Division of Water Infrastructure in the North Carolina Department of Environmental Quality (DEQ) subject to the approval of the Local Government Commission (LGC), in the expected amount of \$3,900,000.

Purpose of Project: The proposed project is for the construction of a 12 inch water main to connect the Town of Pilot Mountain's water system with the City of Mt. Airy's Water System. The Town will purchase water from the City and close its water treatment plant which is in need of serious repair.

Scope of Project: The project will see the construction of 33,000 linear feet of 12 inch water main to join the two systems.

Debt Requirement of Project: The proposed construction cost of the project is \$3,900,000, of which 50% (\$1,950,000) would be funded by a grant and the remaining 50% through a 0% interest loan for 20 years.

Means of Financing the Project: The project will be financed through a grant and loan from the Division of Water Infrastructure.

Sources of Repayment for the Project: The loan principal will be repaid using funds collected by the Town from its current customer base, through normal fees. In addition, the City of Mount Airy and the County of Surry have each agreed to pay 1/3 of the debt. Also, the Town would expect to expand its customer base by adding customers to the new line.

If additional information is needed, please do not hesitate to contact me or our engineer for the project,
Doug Chapman, McGill Associates at:

McGill Associates
Attn: Doug Chapman
1240 19th St. LN. NW
Hickory NC 28601
828-328-2024
Doug.chapman@mcgillengineers.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Boaz", with a long horizontal stroke extending to the right.

Michael Boaz
Town Manager/Finance Officer